



One Park Place | Suite 475 | Annapolis, MD 21401-3475
1-866-542-8163 | Fax: 410-837-0269
aarp.org/md | md@aarp.org | twitter: @aarpm
facebook.com/aarpm

**SB344 Income Tax - Caregivers Tax Credit
FAVORABLE
Senate Budget and Taxation Committee
February 15, 2023**

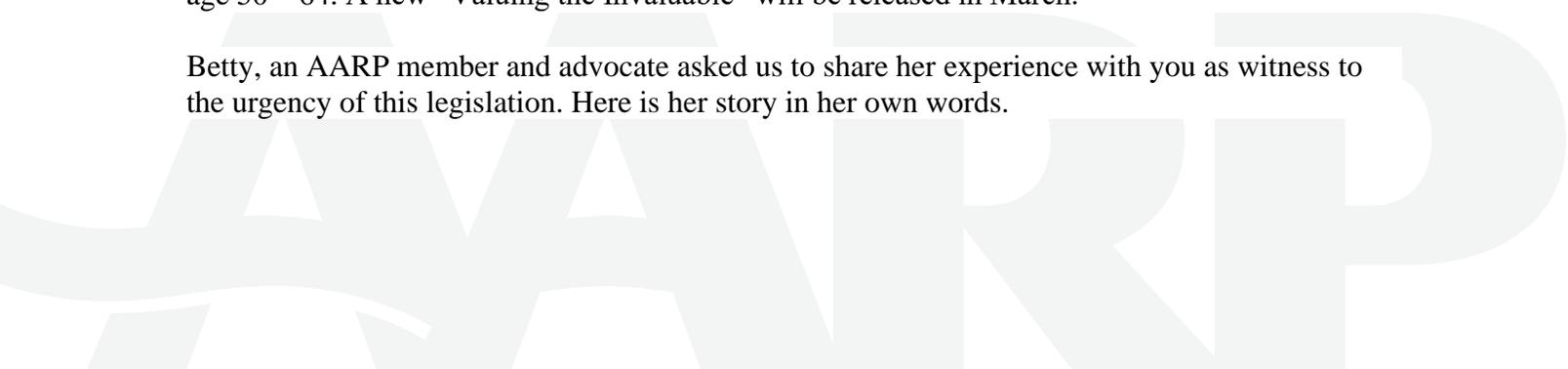
Good afternoon Chair Guzzone and members of the Senate Budget and Taxation Committee. I am Karen Kalla, member of the AARP Maryland Executive Council and resident of Anne Arundel County. AARP MD and its members support SB344 Income Tax – Caregivers Tax Credit. We thank Senators Benson, King, and Jackson for co-sponsoring this important legislation.

AARP is the largest nonprofit, nonpartisan organization representing the interests of Americans aged 50 and older and their families. Key priorities of our organization include helping all Marylanders achieve financial and health security and supporting safety net for seniors and low-income households in the state of Maryland is a priority.

SB344 allows caregivers who provide care or support in one or more daily activities to a family member that is over the age of 18 years to take a credit against their State income tax equal to 30% of the qualified expenses paid or incurred that exceed \$2,000. The goods and services that may be used to calculate this tax credit are explained in the bill and the tax credit cannot exceed \$5,000 in a year

In 2019, AARP’s report “Valuing the Invaluable” estimated the total cost of uncompensated care by a family caregiver in Maryland to be \$ \$9.6 million. Additionally, that same report indicated that a family caregiver spends about 660 hours per year caring for a loved one. Today’s family caregivers come from every age, racial, and socioeconomic group, and include both men and women. Family caregivers are increasing in diversity. Nearly one in four (24 percent) is a millennial, 40 percent are men, and about 40 percent represent multicultural communities. Family caregivers are increasingly involved in performing a range of complex care tasks, such as providing pain management, changing dressings, and managing medications—tasks that go beyond helping with traditional activities of daily living (like bathing or dressing) and independent activities of daily living (such as paying bills or doing housework). Most family caregivers (60 percent) are juggling paid work and caregiving, and trends suggest that with the aging of the baby boomers, an increasing share of family caregivers will be in the labor force in the future. And finally, those most likely to provide care for five years or longer are caregivers age 50—64. A new “Valuing the Invaluable” will be released in March.

Betty, an AARP member and advocate asked us to share her experience with you as witness to the urgency of this legislation. Here is her story in her own words.



My parents were married 76 years and took care of each other until they couldn't. When that time came, I needed to step in to help them, and I needed more than two weeks from work—I needed eight years! I had worked twenty-seven years for a jeweler in Baltimore for which there was no pension. I had no intention of stopping work until I had to become a caregiver for both my parents and husband. At 59 years old, I left my job and source of future income to become a caregiver for the next eight years. My mom passed away in 2012, my husband passed in 2016, and my dad passed in 2019 at 103 years old. Fortunately, my husband and I had saved enough money that I was able to devote my life to all three of them. How many people are not as fortunate as I was? The caregiver tax credit would have helped to provide a more comfortable lifestyle for them. My hope is that SB344 will pass and provide much needed relief and support for those who like me, must leave their career and for those who give of their uncompensated time and resources while working and taking care of other responsibilities.

Caregivers, by taking care of a senior-family member, help reduce the need for expensive long-term care medical and other assisted living services—services that can increase the overall costs of health insurance and state supported programs. Caregivers should not only be *recognized* for their generous personal and financial services to those in need but also *supported* by local and state services and governments. SB344 is designed specifically to compensate and provide some relief for those who give of their own time and money to care for a senior family member. Doing so will help to improve the quality of life for individuals, families, and their communities; and make Maryland a more desirable place for seniors to live.

For these reasons, AARP MD respectfully asks for the Committee to give SB344 a Favorable report. If you have any questions, please contact Tammy Bresnahan at tbresnahan@aarp.org. or by calling 410-302-8451.